

Earnings Release 4Q18

JUNE 25th, 2018

Cash Net Income of R\$233.2 million in 4Q18, growing 102.9% on 4Q17

4Q18 Highlights

- ✓ Higher ethanol sales volume (+85%) combined with lower unit production costs were the main factors supporting the improvement in the quarter's financial indicators, as follows:
 - ✓ Adjusted EBITDA amounted to **R\$585.6 million** in 4Q18 (+46.0%), with Adjusted EBITDA margin of 52.4% (+7.5 p.p.);
 - ✓ Adjusted EBIT was **R\$296.3 million** in 4Q18 (+62.6%), with Adjusted EBIT margin of 26.5% (+6.1 p.p.);
 - ✓ Cash Net Income reached **R\$233.2 million** (+102.9%);
 - ✓ Net income came to **R\$153.3 million** (+28.4%).

12M18 Highlights

- ✓ Improvement in all financial indicators for 12M18, mainly reflecting: i) higher ethanol sales volume (+30%); ii) higher energy and sugar prices; and iii) lower sugar and ethanol production costs. Selected key indicators follow:
 - ✓ Adjusted EBITDA amounted to **R\$1,950.0 million** in 12M18 (+34.9%), with Adjusted EBITDA margin of 53.8% (+7.6 p.p.);
 - ✓ Adjusted EBIT was **R\$1,054.4 million** in 12M18 (+49.1%), with Adjusted EBIT margin of 29.1% (+6.5 p.p.);
 - ✓ Cash Net Income reached **R\$846.4 million** (+92.7%);
 - ✓ Net income came to **R\$491.7 million** (+73.2%);
 - ✓ On Mar. 31, 2018, sugar prices for the 2018/19 crop year were hedged for 535,000 tons at US\$15.51 ¢/lb, representing **approximately 78% of our own cane exposure**. On the same date, we had US\$ 123.5 million sold at an exchange rate of R\$3.35 (R\$/USD), equivalent to 54% of own cane.

Executive Summary	4Q18	4Q17	Chg. (%)	12M18	12M17	Chg. (%)
Net Revenue	1,118,241	894,270	25.0%	3,621,987	3,122,347	16.0%
Adjusted EBITDA	585,629	400,991	46.0%	1,949,994	1,445,083	34.9%
Adjusted EBITDA Margin	52.4%	44.8%	7.5 p.p.	53.8%	46.3%	7.6 p.p.
Adjusted EBIT	296,278	182,232	62.6%	1,054,412	707,172	49.1%
Adjusted EBIT Margin	26.5%	20.4%	6.1 p.p.	29.1%	22.6%	6.5 p.p.
Adjustment to Maturity of Hedge Accounting/PPA	(3,899)	5,802	n.m.	(186,287)	(119,467)	55.9%
Net Income before taxes	192,107	248,683	-22.8%	622,546	445,552	39.7%
Net Income	153,335	119,441	28.4%	491,706	283,867	73.2%
Cash Income	233,176	114,917	102.9%	846,362	439,130	92.7%
Net Debt / EBITDA	1.26 x	1.55 x	-18.6%	1.26 x	1.55 x	-18.6%

* Excludes the Hedge Accounting effect of foreign-denominated debt and PPA.

MESSAGE FROM THE CEO

Another season has come to an end. A season of solid growth in financial results and improvement in operating performance, stemming from the acquisitions and investments in productivity made over the past few years. The full consolidation of the assets of Usina Boa Vista as of this crop year has made a very important contribution to boosting profitability, given the mill's high efficiency, strategic location and high volume of energy cogeneration.

For the ongoing projects, we opted to accelerate the planting schedule using pre-sprouted seedling and intercropping technologies at our units in early 2018, and expect the project to increase cane crushing volume to 100% of our installed capacity of 24 million tons in the coming seasons. Another important pillar of our investment in operating improvements is the agricultural automation project (COA), which is in the advanced stages of implementation at Usina São Martinho to, over the coming years, roll out the technology to all São Martinho units.

For the crop year that started in April 2018, we observed drier weather than the historical average for the period. The combination of these weather effects and our decision to renew the planted area should tend to have a marginal impact on the cane volume processed in the 2018/19 crop year, though with a higher average sugar content (TRS), which would partially offset the lower cane production. Although the global scenario for sugar in the short term indicates a surplus of the product, exchange variation and a production mix with a higher share of ethanol are sufficient to maintain our results at levels similar to those of the 2017/18 crop year. For ethanol, our constructive vision reflects the expectation of higher prices than those practiced in the last crop year, supported by a trend of higher consumption and improved oil prices.

Lastly, I want to share that, after figuring for six straight years in the ranking of the 150 Best Companies to Work For compiled by the magazine *Você S.A.*, in 2017, São Martinho also was named Best Company in Agribusiness. It is a very important achievement that reinforces the essence of our beliefs: caring for people, for attitudes and for our business.

Fabio Venturelli

CEO

São Martinho

OVERVIEW – COMPANY

Operating Highlights

	12M18	12M17	Chg.(%)
Crushed Sugarcane ('000 tons)	22,206	19,281	15.2%
Own	15,191	13,398	13.4%
Third Parties	7,015	5,883	19.2%
Mechanized Harvest	99.8%	98.9%	0.87 p.p.
Agricultural Yield (ton/ha)	79.5	78.7	1.1%
Average TRS (kg/ton)	139.8	130.3	7.3%
Production			
Sugar ('000 tons)	1,407	1,301	8.2%
Anhydrous Ethanol ('000 m ³)	487	398	22.4%
Hydrous Ethanol ('000 m ³)	466	269	72.9%
Cogeneration ('000 MWh)	913	720	26.8%
<i>TRS Produced</i>	<i>3,104</i>	<i>2,513</i>	<i>23.5%</i>
<i>Mix - Sugar - Ethanol</i>	<i>47% - 53%</i>	<i>54% - 46%</i>	
<i>Mix Anhydrous - Hydrous</i>	<i>52% - 48%</i>	<i>61% - 39%</i>	

During the 2017/18 crop year, the Company processed 22.2 million tons of sugarcane, 15.2% more than in the previous crop year. Product TRS increased 23.5%, supported by i) the higher yields of sugarcane fields, ii) the 7.3% increase in average Cane TRS, and iii) the full consolidation of Usina Boa Vista.

Production Guidance – 2018/19 Crop Year

As per the Material Fact notice released today, we announce our guidance for operating results in the 2018/19 crop year.

Production	Actual 17/18 Crop Year	Guidance 18/19 Crop Year	Chg. (%)
Crushing ('000 tons)	22,206	20,570	-7.4%
Sugar ('000 tons)	1,407	980	-30.4%
Anhydrous ('000 m ³)	487	456	-6.4%
Hydrous ('000 m ³)	466	663	42.4%
Cogeneration ('000MWh)	913	850	-6.9%
Average TRS (Kg/Ton)	139.8	142.6	2.0%
Total TRS Produced	3,104	2,933	-5.5%
<i>Mix Sugar/Ethanol</i>	<i>47% - 53%</i>	<i>35% - 65%</i>	

The guidance for sugarcane processing during the crop year is approximately 20.6 million tons, down 7.4% from crushing volume in the previous crop year, partially offset by 2.0% increase in average TRS compared to the 2017/18 crop year. **As a result, the guidance for total TRS produced calls for a reduction of approximately 5.5%.**

As mentioned in the Material Fact notice, the guidance calling for lower crushing volume reflects: i) the dry weather observed since the start of 2018 (with precipitation in January to June at around only 41% of the historical average); and ii) the expansion in the sugarcane planting area, which represents an acceleration in our project to reach sugarcane crushing of 24 million tons in the coming years.

The estimated production mix is 65% ethanol, or around 1.1 billion liters, and 35% sugar, or some 1 million tons.

Financial Indicators

The following table presents São Martinho's financial highlights in the quarter and in the full year:

	4Q18	4Q17	Chg. (%)	12M18	12M17	Chg. (%)
Net Revenue ¹	1,118,241	894,270	25.0%	3,621,987	3,122,347	16.0%
Adjusted EBITDA	585,629	400,991	46.0%	1,949,994	1,445,083	34.9%
Adjusted EBITDA Margin	52.4%	44.8%	7.5 p.p.	53.8%	46.3%	7.6 p.p.
Adjusted EBIT	296,278	182,232	62.6%	1,054,412	707,172	49.1%
Adjusted EBIT Margin	26.5%	20.4%	6.1 p.p.	29.1%	22.6%	6.5 p.p.
Consolidated Balance Sheet Indicators						
Total Assets	9,114,712	8,691,525	4.9%	9,114,712	8,691,525	4.9%
Shareholders' Equity	3,289,775	3,403,320	-3.3%	3,289,775	3,403,320	-3.3%
EBITDA (LTM) ²	1,949,994	1,666,784	17.0%	1,949,994	1,666,784	17.0%
Net Debt	2,462,768	2,584,549	-4.7%	2,462,768	2,584,549	-4.7%
Net Debt / EBITDA (LTM) ²	1.26 x	1.55 x	-18.6%	1.26 x	1.55 x	-18.6%
Net Debt / Shareholders' Equity	75%	76%		75%	76%	

1 - Excludes the effects from Hedge Accounting of foreign-denominated debt and PPA USC.

2 - Information considers 100% of UBV on the EBITDA LTM on the 4Q18.

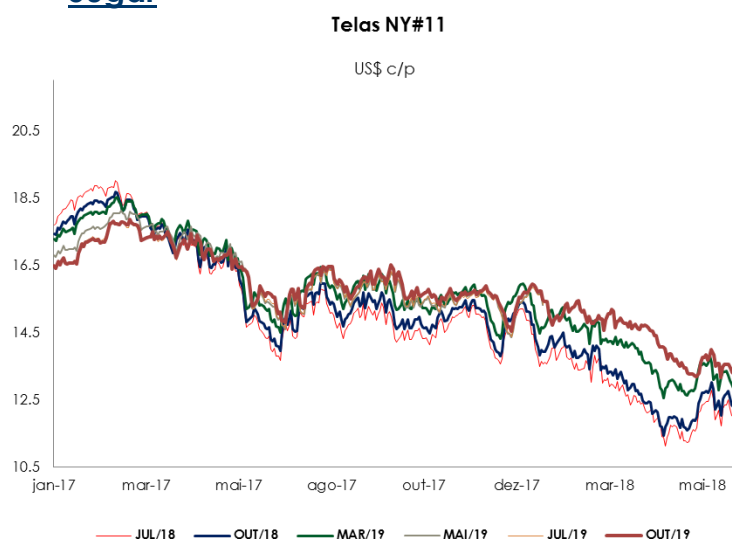
INDUSTRY OVERVIEW

According to the UNICA report for the end of the 2017/18 crop year, Brazil's Center-South region registered cane crushing volume of 596.3 million tons, down 1.78% from the previous crop year, and average TRS of 136.6 kg, representing an increase of 2.68% from the previous crop year, with sugar accounting for 46.46% of the production mix and ethanol for the other 53.54%.

Sugar

The chart on the right shows that the decline in international sugar prices in recent months reflects the production surplus in the northern hemisphere, especially in India, Thailand and certain EU nations.

In the short term, the Company believes that sugar market fundamentals continue to indicate a production surplus and consequently higher pressure on the price of sugar futures for the 2018/19 crop year.



For the 2019/20 crop year, we believe there is still room for a recovery in sugar prices, given the reduction in sugar production in Brazil resulting from a shift in the mix towards ethanol and the prospects of lower crushing due to the drier weather observed to date.

As detailed in the "Hedge" section of this release, as of Mar. 31, 2018, we already had hedged prices for approximately 78% of our net exposure to sugar at a price of R\$1,144.8/ton.

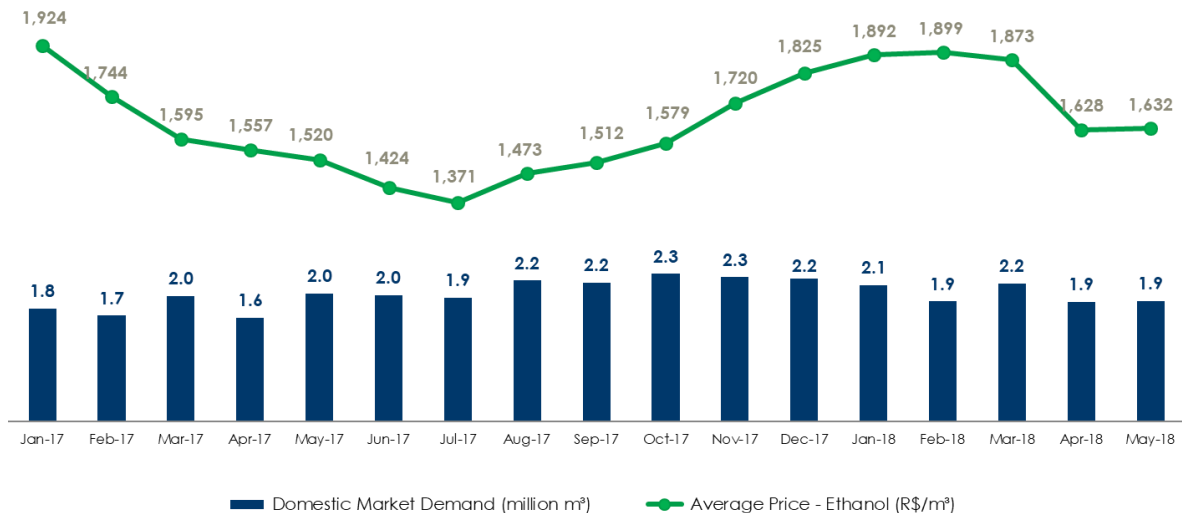
Ethanol

Based on our expectation of a higher share of ethanol in the production mix in the 2018/19 crop year, we are optimistic on ethanol prices, which have been offering higher profitability compared to sugar for contracts due in the current crop year.

Note that, in contrast to what happened in the previous crop year, when the domestic market received a very high volume of imported ethanol and the industry started the crop year with high ethanol inventories, we do not expect these factors to repeat this crop year.

According to data from the ANP website, based on 2017, the states of São Paulo, Minas Gerais and Goiás alone accounted for some 57% of national ethanol consumption. Analyzing the first months of 2018, the consumption of hydrous ethanol in these states has been gaining share over gasoline, growing from 25% to 36% in the first quarter. We believe this movement reflects the more attractive parity of ethanol at the pump in relation to gasoline.

Although the industry will tend to allocate a higher share of the production mix to ethanol, we expect supply and demand to remain balanced throughout the year.



FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	4Q18	4Q17	Chg. (%)	12M18	12M17	Chg. (%)
R\$ '000						
Domestic Market	716,649	407,339	75.9%	2,014,480	1,521,316	32.4%
Sugar	68,098	60,535	12.5%	205,965	161,813	27.3%
Hydrous Ethanol	307,565	82,181	274.3%	737,147	400,621	84.0%
Anhydrous Ethanol	319,157	224,531	42.1%	807,762	720,424	12.1%
Energy	6,098	29,122	-79.1%	207,293	152,089	36.3%
Real Estate Development	3,893	320	1116.6%	8,419	21,289	-60.5%
Others	11,838	10,650	11.2%	47,894	65,079	-26.4%
Export Market	401,592	486,931	-17.5%	1,607,507	1,601,032	0.4%
Sugar	391,138	462,085	-15.4%	1,575,580	1,482,817	6.3%
Hydrous Ethanol	10,454	7,709	35.6%	26,407	74,824	-64.7%
Anhydrous Ethanol	-	16,753	-100.0%	693	43,008	-98.4%
Others	-	384	-100.0%	4,827	384	1157.0%
Net Revenue*	1,118,241	894,270	25.0%	3,621,987	3,122,348	16.0%
Sugar	459,236	522,620	-12.1%	1,781,545	1,644,630	8.3%
Hydrous Ethanol	318,019	89,890	253.8%	763,554	475,445	60.6%
Anhydrous Ethanol	319,157	241,284	32.3%	808,455	763,431	5.9%
Energy	6,098	29,122	-79.1%	207,293	152,089	36.3%
Hydrous Ethanol	3,893	320	1116.6%	8,419	21,289	-60.5%
Others	11,838	11,034	7.3%	52,721	65,463	-19.5%

*Excludes the effects from Hedge Accounting of foreign-denominated debt and PPA.

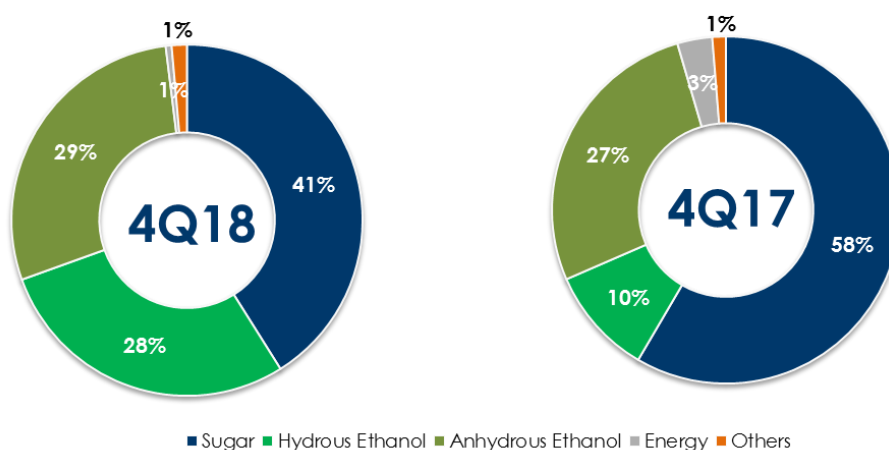
Net revenue

In the fourth quarter of the 2017/18 crop year (4Q18), the Company's net revenue amounted to R\$1.12 billion, increasing 25.0% from the same period of the previous crop year. The increase is mainly due to the higher ethanol sales volume combined with the higher average sales prices compared to those practiced in the same period of the previous crop year.

In the full crop year, net revenue advanced 16.0%, driven by i) the higher sugar sales volume (+5.1%) with better sales price (+3.0%), ii) the higher hydrous ethanol sales volume (+64.6%), and iii) the higher average cogeneration sales price (+35.3%).

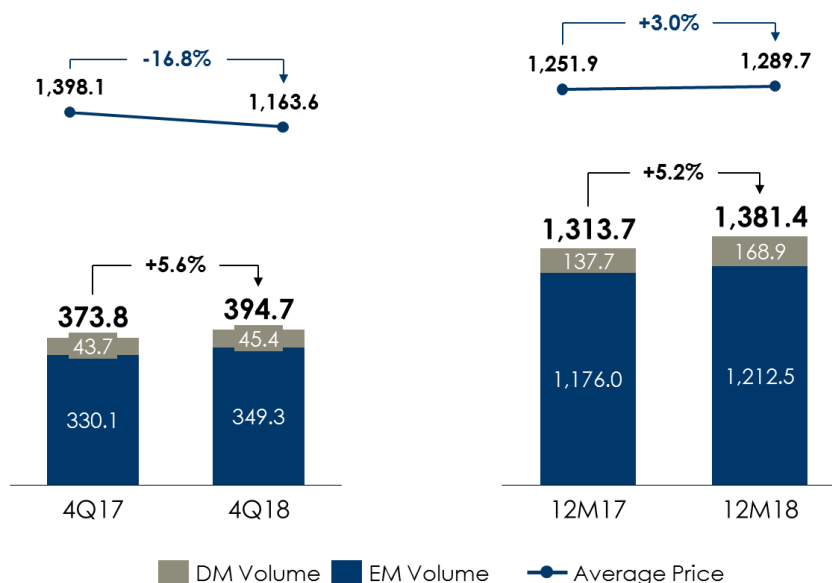
The following charts present a breakdown of the Company's net revenue by product:

Net Revenue Breakdown 4Q18 x 4Q17



Sugar

Volume ('000 tons) and Average Price (R\$/ton)

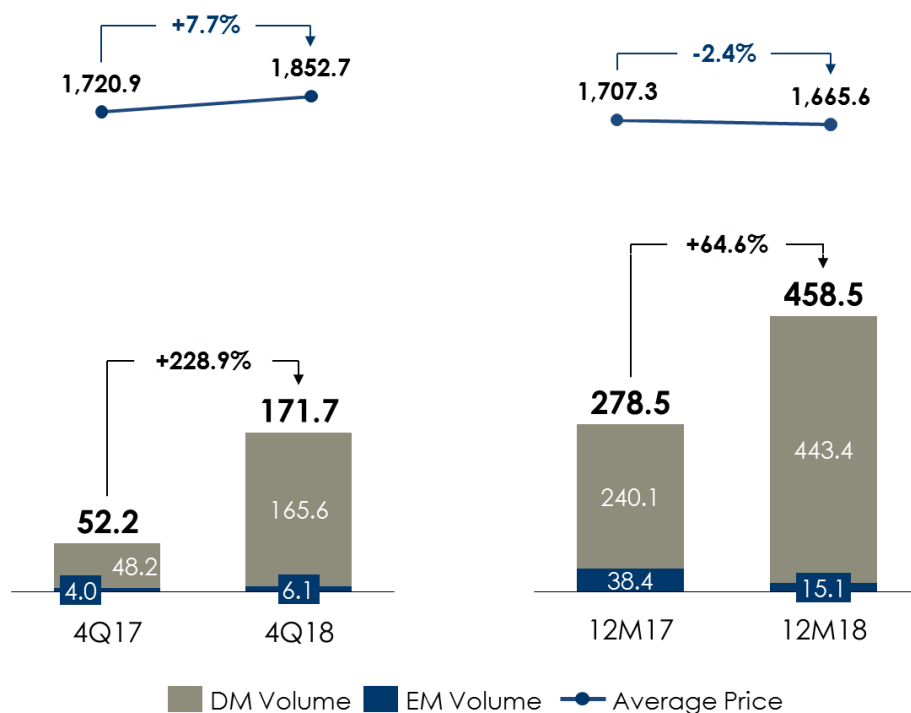


Net revenue from sugar sales amounted to R\$459.2 million in 4Q18, down 12.1% on the same period of the previous crop year, reflecting the 16.8% decrease in the average price.

In the full year (12M18), net revenue from sugar sales amounted to R\$1.78 billion, advancing 8.3% on 12M17, supported by the 5.1% increase in sales volume and the 3% increase in average sales price.

Hydrous Ethanol

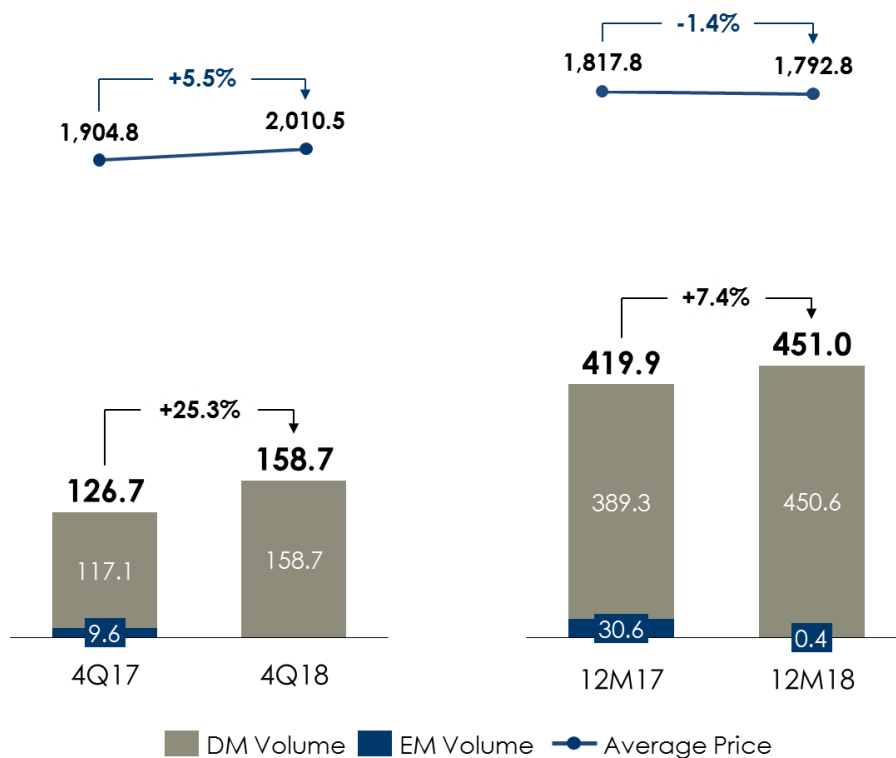
Volume ('000 m³) and Average Price (R\$/m³)



Net revenue from hydrous ethanol sales amounted to R\$318.0 million in 4Q18, increasing 253.8% from 4Q17, driven by the 228.9% increase in sales volume. In the full crop year, net revenue from hydrous ethanol sales amounted to R\$763.5 million, advancing 60.6% on 12M17, reflecting the 64.6% increase in sales volume. The higher sales volume is explained by the full consolidation of Usina Boa Vista as of the 2017/18 crop year.

Anhydrous Ethanol

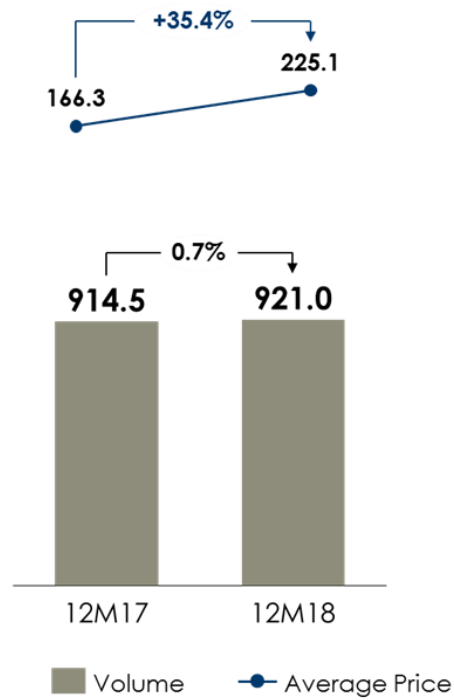
Volume ('000 m³) and Average Price (R\$/m³)



Net revenue from anhydrous ethanol sales amounted to R\$319.2 million in 4Q18, up 32.3% from the same period of the previous crop year, explained by the 25.3% higher sales volumes and 5.5% higher average sales prices. In the full crop year, net revenue from anhydrous ethanol sales amounted to R\$808.5 million, up 5.9%, explained by the 7.4% increase in sales volume in the crop year. The higher sales volume is explained by the full consolidation of Usina Boa Vista as of the 2017/18 crop year.

Cogeneration

Sales Volume ('000MWh) and Average Sales Price (R\$/MWh)



Net revenue from cogeneration sales in the full crop year amounted to R\$207.3 million, increasing 36.3% from the previous crop year. The better result reflects the sharp increase of 35.4% in the sales price to 225.1 R\$/MWh, reflecting the higher spot energy price.

Real Estate Development

The following table presents an overview of real estate projects launched and their percentage of completion (POC) and sales since their launch through March 2018.

Real Estate Development	Type	Town	Area (m ²)	Launched date	Total lots Sold	POC Position
Recanto das Paineiras	Residence	Iracemápolis	376,567	June-14	99.4%	100.0%
Park Empresarial	Industrial	Iracemápolis	182,684	September-14	77.0%	100.0%
Park Empresarial II	Industrial	Iracemápolis	133,794	Outubro-17	22.9%	40.8%
Nova Pradópolis - Fase I	Residence	Pradópolis	246,937	December-15	96.3%	100.0%
Nova Pradópolis - Fase II	Residence	Pradópolis	255,750	July-17	41.7%	97.8%

In 12M18, the Company recognized net revenue of R\$8.4 million and cash generation of R\$11.8 million.

Real Estate Development	Net Revenue 12M18	Cash Generation 12M18	Portfolio March/18
Current Projects	7,810	9,779	31,054
Land Monetization	609	2,060	3,055
Total	8,419	11,839	34,109

INVENTORIES

	4Q18	4Q17	Chg. (%)
Sugar (tons)	29,965	10,141	195.5%
Hydrous Ethanol (m ³)	28,451	7,634	272.7%
Anhydrous Ethanol (m ³)	50,136	34,829	43.9%

EBITDA AND EBITDA COST BY PRODUCT

EBITDA BY PRODUCT - 4Q18	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R\$ '000						
Net Revenues*	459,236	637,176	6,098	3,893	11,838	1,118,241
COGS (Cash)	(191,551)	(259,026)	(2,894)	(320)	(8,920)	(462,711)
Gross Profit (Cash)	267,685	378,150	3,204	3,573	2,918	655,530
Gross Margin (Cash)	58.3%	59.3%	52.5%	91.8%	24.6%	58.6%
Sales Expenses	(30,214)	(1,395)	(2,620)	-	(6)	(34,235)
G&A Expenses (Cash)	(15,668)	(23,884)	950	(746)	-	(39,348)
Other Revenues (Expenses)					3,682	3,682
Adjusted EBITDA	221,803	352,871	1,534	2,827	6,594	585,629
Adjusted EBITDA Margin	48.3%	55.4%	25.2%	72.6%	55.7%	52.4%
EBITDA Cost**	(601.6)	(860.5)	(159.6)			

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R\$ - 3.9 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh

EBITDA BY PRODUCT - 4Q17	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R\$ '000						
Net Revenues*	522,620	331,174	29,122	320	11,034	894,270
COGS (Cash)	(223,183)	(178,755)	(26,465)	(99)	(9,550)	(438,052)
Gross Profit (Cash)	299,437	152,419	2,657	221	1,484	456,218
Gross Margin (Cash)	57.3%	46.0%	9.1%	69.1%	13.4%	51.0%
Sales Expenses	(23,870)	(2,502)	(2,238)	-	(148)	(28,758)
G&A Expenses (Cash)	(15,817)	(12,520)	(1,923)	(1,162)	-	(31,422)
Other Revenues (Expenses)					4,952	4,952
Adjusted EBITDA	259,750	137,397	(1,503)	(941)	6,288	400,991
Adjusted EBITDA Margin	49.7%	41.5%	-5.2%	-294.1%	57.0%	44.8%
EBITDA Cost**	(703.2)	(1,083.1)	(182.3)			

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R\$ 5.8 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh

EBITDA BY PRODUCT - 12M18	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R\$ '000						
Net Revenues*	1,781,545	1,572,009	207,293	8,419	52,721	3,621,987
COGS (Cash)	(638,727)	(689,366)	(28,184)	(745)	(32,453)	(1,389,474)
Gross Profit (Cash)	1,142,818	882,643	179,109	7,674	20,268	2,232,513
Gross Margin (Cash)	64.1%	56.1%	86.4%	91.2%	38.4%	61.6%
Sales Expenses	(101,536)	(7,759)	(9,975)	-	(508)	(119,778)
G&A Expenses (Cash)	(72,973)	(78,759)	(13,160)	(3,397)	-	(168,289)
Other Revenues (Expenses)	-	-	-	-	5,549	5,549
Adjusted EBITDA	968,309	796,125	155,974	4,277	25,309	1,949,994
Adjusted EBITDA Margin	54.4%	50.6%	75.2%	50.8%	48.0%	53.8%
EBITDA Cost**	(588.7)	(853.2)	(55.7)			

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA (R\$ 186.3 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh

EBITDA BY PRODUCT - 12M17	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R\$ '000						
Net Revenues*	1,644,630	1,238,876	152,089	21,289	65,463	3,122,348
COGS (Cash)	(703,122)	(629,082)	(46,043)	(3,473)	(41,549)	(1,423,269)
Gross Profit (Cash)	941,508	609,794	106,046	17,816	23,914	1,699,078
Gross Margin (Cash)	57.2%	49.2%	69.7%	83.7%	36.5%	54.4%
Sales Expenses	(86,766)	(12,832)	(6,978)	-	(243)	(106,820)
G&A Expenses (Cash)	(72,630)	(62,586)	(14,110)	(3,560)	-	(152,886)
Other Revenues (Expenses)	-	-	-	-	5,711	5,711
Adjusted EBITDA	782,112	534,377	84,958	14,256	29,381	1,445,083
Adjusted EBITDA Margin	47.6%	43.1%	55.9%	67.0%	44.9%	46.3%
EBITDA Cost**	(656.5)	(1,008.6)	(73.4)			

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA (R\$ 119.3 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh

In 4Q18, sugar accounted for 37.8% of the Company's consolidated Adjusted EBITDA, while ethanol accounted for 60.6%. EBITDA margin for sugar contracted slightly by 1.5 p.p. from the same period of the previous crop year, mainly due to the lower sales price. Meanwhile, EBITDA margin for ethanol expanded 15.2 p.p. from the same quarter last year, reflecting the higher average price in the period.

In the whole of the 2017/18 crop year, sugar accounted for 49.6% of the consolidated Adjusted EBITDA, while ethanol accounted for 40.9%. Sugar EBITDA margin expanded 6.7 p.p. on the previous crop year, explained by the higher net revenue and lower production cost. Ethanol EBITDA margin increased 7.7 p.p., mainly due to the lower production cost.

CASH COGS

	4Q18	4Q17	Chg. (%)	12M18	12M17	Chg. (%)
R\$ '000						
Agricultural Costs	395,532	350,870	12.7%	1,171,193	1,140,635	2.7%
Suppliers	184,283	159,019	15.9%	599,878	575,336	4.3%
Partnerships	102,013	96,033	6.2%	277,892	271,144	2.5%
Own Sugarcane	109,236	95,818	14.0%	293,423	294,155	-0.2%
Industrial	62,356	60,877	2.4%	183,580	175,283	4.7%
Other Products	12,140	36,153	-66.4%	61,529	118,337	-48.0%
Reintegra	(7,318)	(9,848)	-25.7%	(26,828)	(10,985)	144.2%
Total COGS	462,711	438,052	5.6%	1,389,474	1,423,269	-2.4%
TRS Sold (000 Tons)	978	701	39.4%	3,004	2,554	17.6%
Unit Cost (Sugar and Ethanol Cash COGS / TRS)	461	573	-19.6%	442	511	-13.5%

In 4Q18, Cash COGS came to R\$462.7 million, increasing 5.6% from the same quarter of the previous crop year, mainly due to: i) the effects from the full consolidation of Usina Boa Vista; and ii) the higher sales volume in terms of TRS in the period. In the full crop year, cash COGS amounted to R\$1,389.5 million, down 2.4% from the same period of the previous crop year, mainly reflecting the effects from the reduction in the Consecana price (-15%) in 12M18, even though the total TRS volume was 17.6% higher this crop year.

Both in the fourth quarter of the crop year and in 12M18, the higher volume of TRS sold combined with the higher yield this crop year supported reductions in production unit cash cost for both sugar and ethanol.

AVERAGE CASH COST PER UNIT	4Q18	4Q17	Chg. (%)	12M18	12M17	Chg. (%)
R\$ Thousand						
COGS (Cash)	450,577	401,938	12.1%	1,328,093	1,305,333	1.7%
Sugar	191,551	223,183	-14.2%	638,727	703,122	-9.2%
Ethanol	259,026	178,755	44.9%	689,366	602,211	14.5%
Average Cash Cost Per Unit (*)						
Sugar Cash Cost	485.3	597.1	-18.7%	462.4	535.2	-13.6%
Ethanol Cash Cost	784.0	999.2	-21.5%	758.1	880.9	-13.9%

(*) Sugar in R\$/Ton
Ethanol in R\$/m³

To better understand these effects, the following table details the breakdown of cash cost by product in the 2017/18 crop year.

12M18	Sugar	Ethanol	Energy	Others	Total
R\$ '000.000					
Cost of Goods Sold	1,084	1,170	38	43	2,336
Selling Expenses	102	8	10	1	120
General and Administrative Expenses	85	92	-	3	180
(-) Depreciation/Amortization	(421)	(454)	(10)	(10)	(896)
Biological Assets	(30)	(33)	-	-	(63)
Cash costs and expenses	820	783	38	37	1,678
(+) Maintenance CAPEX	460	496			956
Total	1,279	1,279	38	37	2,633
Average Price (in R\$/unity¹.)	1,290	1,729	225		
Average Cost (in R\$/unity¹.)	926	1,406	41		
<i>Operating Margin (%)</i>	28%	19%	82%		
Sold Volumes ('000 unity¹)	1,381	909	921		

¹ Unity: Sugar: tons, Ethanol: m³, Energy: MWh

SELLING EXPENSES

	4Q18	4Q17	Chg. (%)	12M18	12M17	Chg. (%)
R\$ Thousand						
Port Costs / Freight	30,510	25,996	17.4%	104,947	95,139	10.3%
Other	3,725	2,762	34.9%	14,831	11,682	27.0%
Selling Expenses	34,235	28,758	19.0%	119,778	106,821	12.1%
TRS Sold ('000 Tons)	978	701	39.4%	3,004	2,554	17.6%
% of Net Revenues	3.1%	3.2%	-0.2 p.p.	3.3%	3.4%	-0.1 p.p.

In 4Q18, selling expenses came to R\$34.2 million, increasing 19.0% on the year-ago period (4Q17), mainly due to the growth in sugar sales volume, which led to a 12.1% increase in selling expenses in 12M18.

CASH GENERAL AND ADMINISTRATIVE EXPENSES

	4Q18	4Q17	Chg. (%)	12M18	12M17	Chg. (%)
R\$ Thousand						
Personnel and Management Fee	27,125	25,840	5.0%	105,622	102,869	2.7%
Taxes, Fees, Contributions and Contingencies	(523)	(5,245)	-90.0%	14,019	5,992	134.0%
General Expenses and Third-Party Services	11,999	9,715	23.5%	44,565	32,749	36.1%
Stock Options Expenses	747	1,112	-32.8%	4,083	4,076	0.2%
Total recurring General and Administrative Expenses	39,348	31,422	25.2%	168,289	145,686	15.5%
Non-recurring items	-	-		-	7,200	n.m.
Total General and Administrative Expenses	39,348	31,422	25.2%	168,289	152,886	10.1%

Cash G&A expenses amounted to R\$39.3 million in 4Q18, increasing 25.2% from the same period of the prior crop year, mainly due to the effects from the Boa Vista consolidation, which also was the main factor in the 10.1% increase in the full crop year.

EBITDA

Pro-Forma						
EBITDA RECONCILIATION	4Q18	4Q17	Chg. (%)	12M18	12M17	Chg. (%)
R\$ '000						
Adjusted EBITDA	585,629	400,991	46.0%	1,949,994	1,445,083	34.9%
Adjusted EBITDA Margin	52.4%	44.8%	7.5 p.p.	53.8%	46.3%	7.6 p.p.
Adjustment to Maturity of Hedge Accounting / PPA	3,899	-5,802	n.m.	186,287	119,467	55.9%
Equity Income	992	343	189.2%	2,994	(606)	n.m.
Non Recurring Operating Revenues (Expenses)	1,834	(140,609)	n.m.	2,386	(142,362)	n.m.
Biological Assets	50,076	17,647	183.8%	63,064	24,207	160.5%
Book EBITDA	528,828	529,412	-0.1%	1,695,263	1,444,377	17.4%
EBITDA Margin	47.5%	58.8%	-11.4 p.p.	49.3%	48.1%	1.2 p.p.
(-) Depreciation and Amortization	(289,351)	(218,759)	32.3%	(895,582)	(737,911)	21.4%
(-) Financial Revenue (Expense), net	(47,370)	(61,970)	-23.6%	(177,135)	(260,914)	-32.1%
(=) Operating Income	192,107	248,683	-22.8%	622,546	445,552	39.7%

Adjusted EBITDA

Adjusted EBITDA amounted to R\$585.6 million in 4Q18 (Adjusted EBITDA margin of 52.4%), growing 46.0% on 4Q17, mainly due to: i) the higher ethanol sales volume; and ii) the lower unit production cash cost for both ethanol and sugar. In the full crop year, Adjusted EBITDA advanced 34.9% to R\$1,950 million (EBITDA margin of 53.8%), reflecting: i) the higher ethanol sales volume; ii) the higher energy and sugar prices; and iii) the lower sugar and ethanol production costs.

Main Adjustments to EBITDA in 4Q18 and 12M18

Adjustment of Debt Maturity (Hedge Accounting / PPA)

- Debt maturity (Hedge Accounting): Expense related to exchange variation on debt settled in 4Q18 that was previously designated as Hedge Accounting at a USD/BRL exchange rate of R\$2.5/USD. Considering that the exchange rate used for the purposes of cash flow in the period was R\$3.3/USD, we adjusted the amount of R\$3.9 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period. In 12M18, the adjustment amounted to R\$178.1 million.
- Price Purchase Allocation (PPA): There was no PPA expense in 4Q18. In the full crop year, the expense came to R\$8.2 million.

Biological Assets

- Expenses related to the noncash accrual of a provision for the fair value adjustment of biological assets in the amounts of R\$50.0 million in 4Q18 and R\$63.0 million in the full crop year.

Operating Cash Generation (Adjusted EBIT)

	4Q18	4Q17	Chg.%	12M18	12M17	Chg.%
R\$ '000						
Adjusted EBIT	296,278	182,232	62.6%	1,054,412	707,172	49.1%
Adjusted EBIT Margin	26.5%	20.4%	6.1 p.p.	29.1%	22.6%	6.5 p.p.
(-) Depreciation and Amortization	(289,351)	(218,759)	32.3%	(895,582)	(737,911)	21.4%
Adjusted EBITDA	585,629	400,991	46.0%	1,949,994	1,445,083	34.9%
Adjusted EBITDA Margin	52.4%	44.8%	7.5 p.p.	53.8%	46.3%	7.6 p.p.
Adjustment to Maturity of Hedge / PPA	3,899	-5,802	n.m.	186,287	119,467	55.9%
Equity Income	992	343	189.2%	2,994	(606)	n.m.
Non Recurring Operating Revenues (Expenses)	1,834	(140,609)	n.m.	2,386	(142,362)	n.m.
Biological Assets	50,076	17,647	183.8%	63,064	24,207	160.5%
Book EBITDA	528,828	529,412	-0.1%	1,695,263	1,444,377	17.4%
EBITDA Margin	47.5%	58.8%	-11.4 p.p.	49.3%	48.1%	1.2 p.p.

EBIT in 4Q18 came to R\$296.2 million (EBIT margin of 26.5%), increasing 62.6% from 4Q17. In the full crop year, EBIT advanced 49.1% to R\$1,054.4 million (EBIT margin of 29.1%), explained by the same factors that benefitted Adjusted EBITDA.

HEDGE

A summary of our sugar and U.S. dollar hedge positions as of March 29, 2018 follows.

Sugar

	Volume Hedged ('000 tons)	Avg. Price (US\$ c/lb)	Avg. Price (R\$ /Ton)
Sugar			
2018/2019 crop year	535,037	15.51	1,144.8

At the end of the period, we had 535,000 tons of sugar to be shipped in the 2018/19 crop year hedged at an average price of 15.51 ¢/lb, or R\$1,144.8/ton, considering realized USD-denominated NDFs and at market exchange rates on the unhedged difference. Considering the production guidance for the 2018/19 crop year, the sugar volumes hedged correspond to approximately 78% of own cane or 55% of total cane.

U.S. Dollar

The Company held open positions through Non-Deliverable Forwards (NDFs) and derivative instruments, which are used to hedge its exports, related to the 2018/19 crop year, as follows:

	TOTAL		SUGAR		ETHANOL	
USD	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)
2018/2019 crop year	134,595	3.35	123,495	3.35	11,100.00	3.32

The volume of NDFs, as detailed above, represents approximately 54% of the sugar volume hedged (for own cane), or 39% of total exposure.

Hedge Accounting

Effect on Shareholders' Equity

In March 2010, the Company began to adopt hedge accounting for derivatives classified as hedge instruments, as well as debt denominated in foreign currency.

The quarterly results are recorded in shareholders' equity ("Adjustments to Book Value"), net of deferred income and social contribution taxes. In the period from April 2017 to March 2018, we recorded a reduction in shareholders' equity of R\$5.5 million.

Effect on Income Statement

As previously mentioned, certain foreign-denominated liabilities that had been designated as Hedge Accounting will mature in the future, which will impact our net revenue.

In 4Q18, a total of US\$5.0 million in debt was recognized at the exchange rate of R\$2.5/US\$ used for the translation of net revenue. Considering that the exchange rate used for the purposes of cash flow in the period was R\$3.3/US\$, we made an adjustment of R\$3.9 million in net revenue and EBITDA to provide a better understanding of the Company's operating cash generation in the period.

In 12M18, a total of US\$147.4 million in debt was recognized at the exchange rate of R\$2.1/US\$ used for the translation of net revenue. Considering that the exchange rate used for the purposes of cash flow in the period was R\$3.3/USD, we made an adjustment of R\$178.1 million in net revenue and EBITDA.

NET FINANCIAL RESULT

	4Q18	4Q17	Chg.%	12M18	12M17	Var.%
R\$ '000						
Financial Revenues	21,771	30,981	-29.7%	122,702	132,553	-7.4%
Financial Expenses	(65,841)	(85,853)	-23.3%	(316,386)	(323,830)	-2.3%
Net Financial before Exchange Var. and Hedge	(44,070)	(54,872)	-19.7%	(193,684)	(191,277)	1.3%
Hedge Result/Exchange Variation	(134)	(5,129)	-97.4%	33,682	(49,899)	n.m.
Copersucar Monetary Variation	(3,166)	(1,970)	60.7%	(17,133)	(19,739)	-13.2%
Net Financial Result	(47,370)	(61,971)	-23.6%	(177,135)	(260,915)	-32.1%

The net financial result in 4Q18 was an expense of R\$47.3 million, which represents a 23.6% reduction compared to 4Q17. In the full crop year, the net financial expense decreased by 32.1% to R\$177.1 million. The better result in the period reflects the lower interest rates in Brazil and the Company's liability management of a portion of its debt.

COPERSUCAR

Obligations:

On March 31, 2018, the São Martinho Group recognized on its Balance Sheet debt of R\$210.4 million with Copersucar. In view of the terms negotiated in the process to terminate the membership at Copersucar, we will continue to book under “Obligations - Copersucar” all liabilities related to the contingencies currently being resolved judicially that were filed by legal counsel at Copersucar. These obligations continue to be secured by suretyships in the amount of R\$210.4 million on a consolidated basis.

Rights:

Due to its condition as a former member of the cooperative, the Company has rights and obligations arising from future variations in the assets and liabilities of Copersucar.

The Courts have ruled against the Federative Republic of Brazil to indemnify Copersucar for damages caused to its members by the lagged setting of prices for sugar and ethanol sales in the 1980s. The judgment upon the merits is final and unappealable and the process is in the phase of liquidation/enforcement.

Copersucar presented in its calculations the amount of R\$18 billion, to which São Martinho would be entitled to 13%. The first undisputed portion, set at R\$5.6 billion, will be paid through registered warrants issued in 2017 and the Federative Republic of Brazil already has deposited in court the first installment (15%) of these warrants, in the amount of R\$870.2 million.

Of the balance of around R\$12.8 billion, the federal government claimed an excess of R\$2.2 billion on May 4, 2018. On the same date, Copersucar claimed the issue of a complementary registered warrant in the amount of R\$10.6 billion (complement of the undisputed portion).

The right to these credits, although virtually certain, has yet to be made available. Therefore, such rights were not booked and are being disclosed in accordance with the treatment given by Copersucar.

INDEBTEDNESS

	Mar/18	Mar/17	Chg.%
R\$ Thousand			
PESA	29,225	41,959	-30.3%
Rural Credit	509,214	678,426	-24.9%
BNDES / FINAME	582,203	828,443	-29.7%
Working Capital	397,336	495,136	-19.8%
International Finance Corporation (IFC)	303,797	-	n.m.
PPE (Export prepayment)	734,471	741,329	-0.9%
NCE (Export Credit Note)	8,101	584,487	-98.6%
Agribusiness Certificate of Receivables (CRA)	1,360,550	349,462	289.3%
Obligations from Acquisitions - LOP	50,256	62,088	-19.1%
Gross Debt	3,975,153	3,781,331	5.1%
Cash and Cash Equivalents	1,512,385	1,196,782	26.4%
Consolidated Net Debt	2,462,768	2,584,549	-4.7%
Net Debt / Acum. EBITDA ¹	1.26 x	1.55 x	-18.7%
Net Debt / Acum. EBITDA - USD ²	1.22 x	1.61 x	-24.2%

1-Cumulative EBITDA considers 100% of UBV;

2 – Net Debt PTAX:

March/17: R\$ 3.17

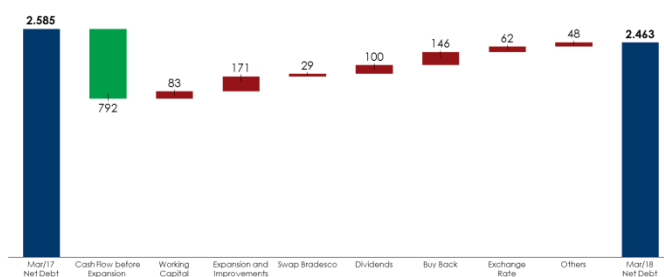
March/18: R\$ 3.32

Cumulative EBITDA average daily PTAX LTM:

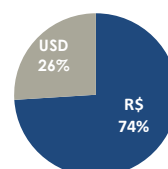
March/17: R\$ 3.30

March/18: R\$ 3.22

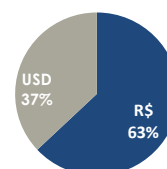
As of March 2018, the Company's net debt stood at R\$2.46 billion, down 4.7% compared to March 2017. The reduction in net debt in the period is mainly due to the higher cash generation in the period, as shown below.



GROSS CURRENCY

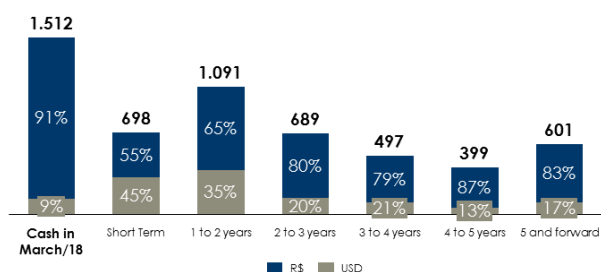


NET CURRENCY



Debt Amortization Schedule

R\$ million



Net Debt / LTM EBITDA

Evolution



CAPEX

(Maintenance)	4Q18	4Q17	Chg.%	12M18	12M17	Var%.
R\$ '000						
Sugarcane Planting	50,922	76,001	-33.0%	219,296	217,141	1.0%
Off-Season Maintenance (Industrial/Agricultural)	195,846	143,545	36.4%	281,631	207,754	35.6%
Crop Treatment	122,596	77,791	57.6%	454,651	367,217	23.8%
Total	369,363	297,337	24.2%	955,578	792,113	20.6%
(Operational Improvements)	4Q18	4Q17	Chg.%	12M18	12M17	Chg.%
R\$ '000						
Equipment/Replacements	30,057	22,068	36.2%	109,703	76,972	42.5%
Total	30,057	22,068	36.2%	109,703	76,972	42.5%
(Upgrading/Expansion)	4Q18	4Q17	Chg.%	12M18	12M17	Chg.%
R\$ '000						
Cane Plantation	25,955	-	n.m.	32,187	-	n.m.
Projects (Industrial/Agricultural)	19,061	26,761	-28.8%	70,256	107,827	-34.8%
Total	45,016	26,761	68.2%	102,443	107,827	-5.0%
Total	444,436	346,166	28.4%	1,167,724	976,911	19.5%

The Company's maintenance CAPEX amounted to R\$369.4 million in 4Q18, increasing 24.2% from the same period of the previous crop year. In the crop year, maintenance CAPEX amounted to R\$955.6 million, increasing 20.6% from the previous crop year. The growth in maintenance CAPEX basically reflects: (i) the consolidation of 100% of Boa Vista; (ii) the increase in inter-crop maintenance, due to the variation in the number of days in the crop year; (iii) the increase in crop treatments, reflecting the increase in costs pegged to inflation, such as labor and diesel.

Operational improvement capex (investments in replacing agricultural and industrial equipment to boost yields) amounted to R\$30.1 million (+36.2%) in 4Q18 and 109.7 million (+42.5%) in 12M18. As already discussed in previous quarters, the increase reflects not only the effects from the consolidation of Usina Boa Vista, but also the replacement of part of the unit's agricultural fleet, a disbursement that already was provided for in the Company's investment plan due to the growth in crushing volume in recent years.

For expansion CAPEX, we added in this section the investments made in planting since this investment, which amounted to R\$25.9 million in 4Q18 and to R\$32.2 million in 12M18 reflected our decision to increase the planting renovation area. The other investments reflect the carryover effect from ongoing projects.

CASH NET INCOME

	4Q18	4Q17	Chg. (%)	12M18	12M17	Var. (%)
Net Income	153,335	119,441	28.4%	491,706	283,867	73.2%
UBV Aquisition gain	-	(142,582)	n.m.	-	(142,582)	n.m.
Income tax	38,772	129,242	-70.0%	130,840	161,685	-19.1%
Income Tax paid	(12,906)	(3,029)	326.1%	(25,535)	(7,513)	239.9%
Biological Asset	50,076	17,647	183.8%	63,064	24,207	160.5%
Maturity of Hedge / PPA	3,899	(5,802)	n.m.	186,287	119,467	55.9%
Cash Income	233,176	114,917	102.9%	846,362	439,130	92.7%
Total Shares ex-treasury (in thousands)	350,803	358,580		350,803	358,580	
Cash Income per share	0.66	0.32		2.41	1.22	

ROIC

With Land	12M18	12M17 ¹	Without land	12M18	12M17 ¹
Adjusted EBITDA	1,950	1,667	Adjusted EBITDA	1,950	1,667
(-) Maintenance Capex	-956	-875	(-) Maintenance Capex	-956	-875
(-) Income tax	-26	-9	(-) Income Tax	-26	-9
			(-) Own land result	-54	-58
Operating Cash Generation	969	783	Operating Cash Generation	915	724
Permanent Assets*	6,698	6,189	Permanent Assets*	4,890	4,410
Short term Assets - Short - Term Liabilities**	219	197	Short term Assets - Short - Term Liabilities**	219	197
Average Invested Capital	6,918	6,386	Average Invested Capital	5,110	4,607
ROIC²	14.0%	12.3%	ROIC without land²	17.9%	15.7%

1 - Considers 100% of UBV

2 - Consider the average invested capital between the current crop year and the year before

*Permanent Asset = Long-Term A - Financial revenues - Income Tax - Derivative Financial Instr. - Receivables from CoperSucar - Related Parts - Judicial Deposits

** Current Working Assets - Adjusted Short Term Liabilities (excludes Income tax, debt, Copersucar liabilities and dividends)

PROPOSAL FOR SHAREHOLDER COMPENSATION

Based on the results for the 2017/18 crop year, as announced today, the Management Proposal containing the proposed agenda to be considered and voted on in the Annual Shareholders Meeting to be held on July 27, 2018 includes the proposal for the distribution of dividends to the shareholders of the Company in the amount of **R\$180 million**, or **R\$0.513 per share** (considering treasury shares as of Mar. 31, 2018), for a payout ratio of **36.6%**.

In addition to aforementioned proposal for dividend distribution, on Nov. 27, 2017, we announced to the market a share repurchase program through which we repurchased the equivalent of **R\$145.7 million**.

Our decision on capital allocation for the 2017/18 crop year took into consideration some pillars we believe are essential for value creation, such as: i) remunerating shareholders above the historical average; ii) making disciplined investment decisions; and iii) managing conservatively the Company's capital structure, including preserving cash, given the current market conditions, and creating room for any future strategic decisions.

CAPITAL MARKETS AND INVESTOR RELATIONS

4Q18 Earnings Conference Call

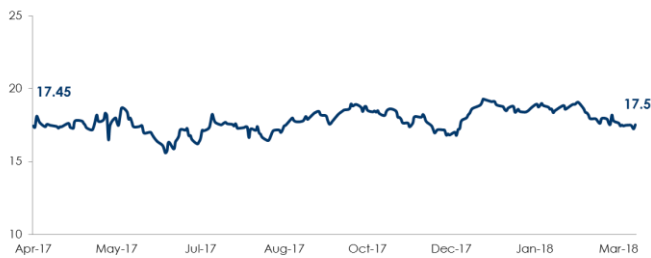
June 26, 2018 (Tuesday)

3:00 p.m. (Brasília) + 55 11 3193-1001

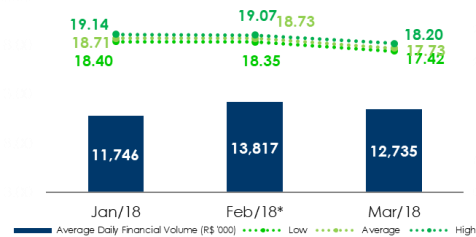
12:00 p.m. (New York) +1 646 828-8246

Access Code: São Martinho

Performance SMT03 – 12 months

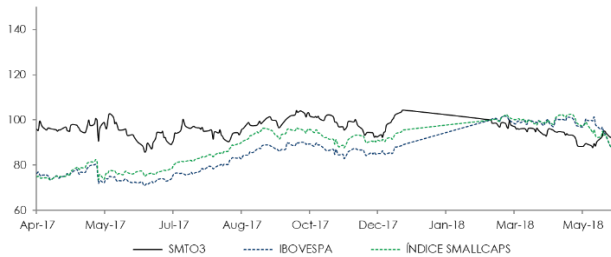


Price and Volume



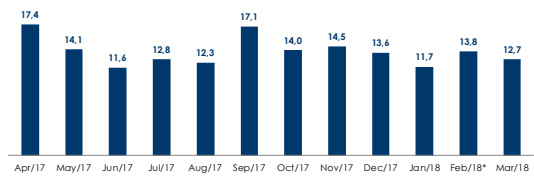
SMT03 vs. Stock Indexes

Base 100



Average Daily Trading Volume

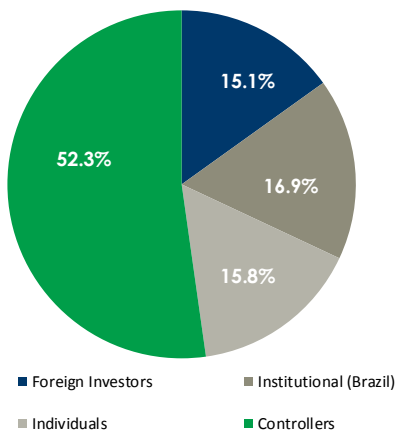
R\$ million



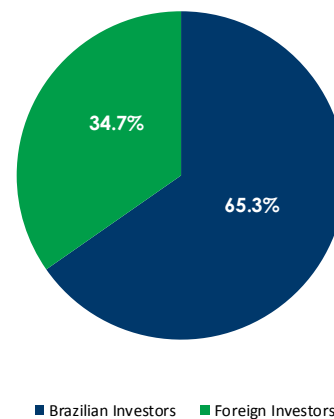
* Do not consider Block Petro. Considering it, the liquidity would be 39.2 mm on Feb/18.

Ownership Structure

Base: March 31, 2018



Free-Float Composition



DISCLAIMER

This document contains forward-looking statements related to the business outlook, operating and financial projections and growth prospects of São Martinho. These statements are merely projections and as such are based exclusively on Management's expectations for the future of the business. These forward-looking statements depend materially on changes in market conditions and the performance of the Brazilian economy, the industry and international markets, and therefore are subject to change without prior notice.

INCOME STATEMENT

SÃO MARTINHO S.A. - CONSOLIDATED	4Q18	4Q17	Chg. (%)	12M18	12M17	Chg. (%)
R\$ Thousand						
Gross Revenue	1,221,387	941,067	29.8%	3,792,871	3,130,157	21.2%
Deductions from Gross Revenue	(107,045)	(40,995)	161.1%	(357,171)	(127,276)	180.6%
Net Revenue	1,114,342	900,072	23.8%	3,435,700	3,002,881	14.4%
Cost of Goods Sold (COGS)	(799,472)	(671,703)	19.0%	(2,336,341)	(2,174,033)	7.5%
Gross Profit	314,870	228,369	37.9%	1,099,359	828,848	32.6%
Gross Margin (%)	28.3%	25.4%	2.9 p.p	32.0%	27.6%	4.4 p.p
Operating Expenses	(75,393)	82,284	n.m.	(299,678)	(122,382)	144.9%
Selling Expenses	(34,235)	(28,758)	19.0%	(119,778)	(106,820)	12.1%
General and Administrative Expenses	(42,013)	(34,176)	22.9%	(180,070)	(164,239)	9.6%
Equity Income	(992)	(343)	189.2%	(2,994)	606	n.m.
Other Operating Expenses, Net	1,847	145,561	-98.7%	3,164	148,071	-97.9%
Operating Profit, Before Financial Effects	239,477	310,653	-22.9%	799,681	706,466	13.2%
Financial Result, Net	(47,370)	(61,970)	-23.6%	(177,135)	(260,914)	-32.1%
Financial Revenues	21,771	30,981	-29.7%	122,702	132,553	-7.4%
Financial Expenses	(69,007)	(87,823)	-21.4%	(333,519)	(343,569)	-2.9%
Monetary and Exchange Variations - Net	4,531	5,360	-15.5%	31,858	9,312	242.1%
Derivatives Results	(4,665)	(10,488)	-55.5%	1,824	(59,210)	n.m.
Income (Loss) Before Income and Social Contribution Taxes	192,107	248,683	-22.8%	622,546	445,552	39.7%
Income Tax and Social Contribution - Current	(14,402)	(2,085)	590.7%	(71,218)	(29,393)	142.3%
Income Tax and Social Contribution - Deferred	(24,370)	(127,157)	n.m.	(59,622)	(132,292)	-54.9%
Net Income	153,335	119,441	28.4%	491,706	283,867	73.2%
Net Margin (%)	13.8%	13.3%	0.5 p.p	14.3%	9.5%	4.9 p.p

BALANCE SHEET (ASSETS)

SÃO MARTINHO S.A. CONSOLIDATED - ASSETS	Pro-Forma	
R\$ Thousand		
ASSETS	12M18	12M17
SHORT-TERM ASSETS		
Cash and Cash Equivalents	140,865	143,002
Marketable Securities	1,320,851	1,029,113
Trade Receivables	177,893	169,129
Derivative Financial Instruments	69,173	172,917
Inventories and advances to suppliers	334,654	256,574
Biological Assets	581,725	586,362
Taxes Recoverable	36,093	102,325
Income Tax and Social Contribution	9,687	11,232
Other Assets	16,917	12,342
TOTAL SHORT-TERM ASSETS	2,687,858	2,482,996
LONG-TERM ASSETS		
Long-term Receivables		
Marketable Securities	50,669	24,667
Inventories	111,135	88,766
Related Parties	5,834	111
Derivative Financial Instruments	3,617	27
Trade Receivables	24,869	26,062
Receivables from Copersucar	9,355	10,017
Taxes Recoverable	122,200	106,518
Income Tax and Social Contribution	117,442	124,285
Judicial Deposits	28,673	32,617
Other Assets	439	439
	474,233	413,509
Investments	32,552	31,184
Property, plant and equipment	5,449,912	5,289,894
Intangible Assets	470,157	473,942
TOTAL LONG-TERM ASSETS	6,426,854	6,208,529
TOTAL ASSETS	9,114,712	8,691,525

BALANCE SHEET (LIABILITIES)

SÃO MARTINHO S.A. CONSOLIDATED- LIABILITIES	Pro-Forma	
R\$ Thousand		
LIABILITIES AND SHAREHOLDERS' EQUITY	12M18	12M17
SHORT-TERM LIABILITIES		
Borrowings	686,630	1,499,649
Derivative Financial Instruments	8,862	76,097
Trade Payables	154,146	138,939
Payables to Copersucar	8,583	9,094
Salaries and Social Contributions	137,155	121,776
Taxes Payable	16,877	20,481
Income Tax and Social Contribution	4,167	4,471
Dividends Payable	148,341	74,243
Advances from Customers	16,406	4,174
Aquisition of Investment	11,746	11,958
Other Liabilities	28,287	28,751
TOTAL SHORT-TERM LIABILITIES	1,221,200	1,989,633
LONG-TERM LIABILITIES		
Borrowings	3,238,267	2,219,594
Derivative Financial Instruments	930	5
Payables to Copersucar	201,787	248,360
Taxes Payable in Installments	2,656	14,614
Deferred Income Tax and Social Contribution	1,007,923	663,337
Provision for Contingencies	99,122	102,532
Aquisition of Investment	38,510	50,130
Other Liabilities	14,542	-
TOTAL LONG-TERM LIABILITIES	4,603,737	3,298,572
SHAREHOLDERS' EQUITY		
Share Capital	1,549,302	1,494,334
Reducing Capital	-	(55,662)
Capital Reserves	9,418	10,057
Treasury Shares	(234,100)	(92,134)
Stock options granted	11,578	8,284
Adjustments to Book Value	1,120,319	1,432,243
Profit Reserves	833,258	606,198
TOTAL SHAREHOLDERS' EQUITY	3,289,775	3,403,320
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,114,712	8,691,525

CONSOLIDATED CASH FLOW

SÃO MARTINHO S.A.	12M18	12M17
R\$ Thousand		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income in the period	491,706	283,867
Adjustments		
Depreciation and amortization	356,202	266,148
Harvested biological assets (depreciation)	539,380	471,763
Variation in fair value of biological assets	63,064	24,207
Amortization of intangible assets	-	1,002
Amortization of energy contracts	8,210	7,309
Equity Income	2,994	(606)
Capital gain on jointly controlled investment	-	(3,454)
Negative goodwill in investment in join venture	-	(142,582)
Gain (loss) on investment and PPE disposed of	1,276	3,084
Interest, monetary and foreign exchange variations, net	188,823	177,175
Derivatives Financial Instruments	(104,827)	234,834
Constitution of provision for contingencies, net	10,964	(525)
Deferred income tax and social contribution	130,840	161,685
Adjustments to present value and others	2,536	9,265
	1,691,168	1,493,172
Changes in asset and liabilities		
Trade receivables	(9,547)	(23,927)
Inventories	(60,371)	55,935
Taxes recoverable	69,888	(20,567)
Derivatives Financial Instruments	203,359	(66,616)
Marketable Securities	-	(21)
Other assets	2,708	(17,241)
Trade payables	13,252	(26,050)
Salaries and social charges	15,491	101
Taxes payable	(48,260)	(21,382)
Obligations with Copersucar	(43,666)	(24,811)
Taxes payable in installments	(12,358)	(3,629)
Provision for contingencies - settlements	(25,452)	(11,757)
Other liabilities	11,835	21,011
	1,808,047	1,354,218
Cash provided by operations		
Interest paid	(277,361)	(227,845)
Income tax and social contribution paid	(25,535)	(7,513)
Net cash provided by operating activities	1,505,151	1,118,860
CASH FLOW FROM FINANCING ACTIVITIES		
Financial resources used in investments	(17,451)	(27,648)
Increased acquisition in ownership	-	-
Additions to property and intangible assets	(459,670)	(391,654)
Additions to biological assets (planting and crop treatment)	(706,133)	(584,356)
Marketable Securities	(232,999)	54,318
Proceeds from sale of property, plant and equipment	6,553	4,641
Cash and cash equivalents acquired from subsidiary	-	-
Gain in cash and cash equivalents due to change in ownership interest in investee	-	668
Advance for future capital increase	-	26
Dividends received	(4,830)	-
	(1,414,530)	(944,005)
Net cash used in investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
New borrowing - third parties	1,746,615	825,506
Repayment of borrowing - third parties	(1,595,432)	(1,002,636)
Advance for future capital increase	-	(111)
Variation of minority shareholders	-	-
Purchase of treasury shares	(145,756)	(68,232)
Sale of treasury shares	2,362	1,689
Payment of dividends	(99,999)	(55,384)
	(92,210)	(299,168)
Net cash provided by financing activities		
Increase (decrease) in cash and cash equivalents	(1,589)	(124,313)
Cash and cash equivalents at the beginning of the period	142,454	267,315
Cash and cash equivalents at the end of the period	140,865	143,002